

**PRELIMINARY CONCLUSIONS  
OF THE 28<sup>TH</sup> MANAGEMENT BOARD MEETING  
ON 13-14 DECEMBER 2012**

**1. Report of the Executive Director**

The Management Board welcomed the quarterly report of the Executive Director on the activities of ECHA since the last Board meeting.

In their interventions, Board members congratulated the Secretariat with its achievements and wished further explanations on various topics related to registration, dissemination, evaluation and authorisation. The Board was informed of the signature on the same day of a cooperation agreement between ECHA and the JRC and also noted the follow-up activities related to a recent NGO report on ECHA and REACH.

**2. Budget 2012**

The Management Board adopted a final amending budget for 2012. This amendment allowed reducing the budget by € 9.1 million to € 98 million. This unused amount will be added to ECHA's fee reserve and thus contribute to financing of the Agency in subsequent years.

The amending budget included a reduction related to the payment modalities of the pension contributions for staff. Since ECHA receives an EU subsidy since mid 2012, the Secretariat considers these contributions to be covered by the EU budget instead of ECHA. At the time of the meeting, the Commission had not established a final position on this issue; the Commission representatives therefore formally maintained a reserve and promised to clarify the matter in early 2013.

The Board also took note on budgetary transfers and the outcome of the written procedure MB/WP/04/2012, which related to budgetary transfers within the Biocides and PIC budgets.

**3. Budget 2013**

The Management Board adopted the Agency's budget for 2013, including the establishment plan. The budget will become final following the final adoption of the general budget of the European Union.

The total expenditure budget of the Agency for 2013 amounts to €106.6 million. This budget proposal is significantly lower compared to the preliminary draft budget (PDB) that amounted to €117.4 million.

The tasks under REACH and CLP are fully funded from the new fee income expected of the 2<sup>nd</sup> registration deadline of May 2013 as well as from the accumulated reserve of fee income. The total REACH and CLP expenditure budget amounts to € 98.8 million. The number of temporary agents (TA) posts is envisaged to decrease from 456 to 451.

For Biocides and PIC, the funding is foreseen to derive mainly from the EU subsidy. The amounts foreseen are € 6.07 million and €1.56 million, respectively, and subject to adoption of the EU budget by the Council and the European Parliament. A further amount of € 150k would be cashed from biocides fees. Regarding Biocides staffing, the number of TA posts for 2013 will be 47. For PIC, 5 TA posts are foreseen.

#### **4. Biocides - constraints, consequences and options for additional funding**

The Management Board took note of and shared the Secretariat's concerns related to adequate financing of biocides tasks in 2013. It mandated the Executive Director, with the support of the Chair, to continue the discussions with the Commission. The aim is to propose a timely solution that responds to the concerns and would enable the Board to increase the budget for biocides activities by written procedure.

ECHA's original planning for biocides in 2013 was based on a € 9.27 million budget, assuming € 3.3 million revenues from fees. The current estimate was € 6.1 m subsidy including the contribution of the EFTA countries and € 150 000 fee income. This reduction would mean a significant cut in staffing: altogether 29 staff at the end of 2013 instead of 47 approved posts, leading to significant delays in IT development and postponing many supporting tasks. To ensure a proper entry into operation, ECHA would need at least € 1 million additional funding and staffing.

#### **5. Continuation of the cash reserve management agreement**

The Management Board endorsed the Secretariat's intention to continue with the current asset management agreement with the European Investment Bank (EIB).

#### **6. Work programme 2013, update of annexes**

The Board adopted two annexes of the Work programme 2013, relating to resource allocation and procurement. The work programme had been adopted by the Board in September 2012 and the annexes updated in the light of the finalisation of the budgetary procedure.

#### **7. Report from the working group on planning and reporting – quality of registration dossiers**

The Board heard Martin LYNCH, the Chair of the working group on planning and reporting, who reported from a meeting of the group on 25 October. The purpose of the meeting was to discuss details of quality concerns identified by the Secretariat in registration dossiers and actions in response to these findings.

In an exchange of views, the Board discussed the importance of good data quality: measures ECHA had undertaken regarding substance identity, completeness check and compliance check as well as improvement proposals.

The working group on planning and reporting will continue to follow up on the issue. It was invited to report again to the Management Board in 2013 once the annual evaluation report of ECHA under Article 54 REACH was available.

#### **8. Management of potential conflicts of interest – update on implementation of the ECHA policy**

The Board took note of the final report of the European Court of Auditors (ECA) on the management of potential conflicts of interests in selected EU agencies, including ECHA.

The Board welcomed the measures taken since September 2011 in order to foster ECHA's procedures to ensure independence and to take due account of the high public expectations in this regard. Members expressed their confidence that the full deployment of the policy on managing potential conflicts of interest would adequately address the recommendations in the ECA report.

The Agency was encouraged to proactively undertake internal or external audits to confirm the correct application of the new procedures.

#### **9. Security model of the Agency's IT-systems and unified security declaration for access to the IT systems**

The Board took note of a proposal for unified Declarations of Commitment and Standard Security Requirements for Access to ECHA's Information Systems by Member States and the Commission. The overall approach was welcomed, in particular since the proposal prepares the future access to IT-systems under the Biocidal Product Regulation and the PIC Regulation.

The discussion extended also to related IT Security aspects, such as the current rules for CIRCABC. The Secretariat confirmed to verify if there are any inconsistencies.

As there was still a need for some members to consult with national authorities, in particular those responsible for biocides, it was agreed to launch a written procedure to adopt the declarations. The Secretariat will initiate the procedure early 2013 and the deadline for replies was set to 31 January 2013.

#### **10. Appointment of Committee members**

Ms Stéphanie VIVIER was appointed as a member of the Committee for Risk Assessment. The terms of Ms Marie DALTON, Ms Silvia GRANDI and Mr Jiri BENDL as members of the Committee for Socio-economic Analysis were renewed.

#### **11. The operating framework of the Management Board**

Subject to some amendments, the Management Board approved the paper describing its operating framework in broad lines which took account of the discussion in the last Board meeting.

#### **12. Composition of the subgroups of the Management Board**

The Board decided on changes to its subgroups: Krzysztof MARUSZEWSKI and Thomas JAKL will join the Reporting officers for the Executive Director to replace members leaving the Board. Nina CROMNIER will join the working group on audit matters and cease her participation in the working groups on dissemination and transfer of fees.

#### **13. Report from the working group on audit matters**

The Board took note of a report on audit matters presented by Mr BLAHA, co-chair of the working group on audit. This included information about audit plans, outsourcing of the data centre and action plans resulting from previous audits. The working group had also looked in detail in the follow-up of the special report issued by the Court of Auditors on interest management.

#### **14. Future structure and composition of the Board of Appeal**

The Board showed strong support to a recommendation from its working group on the Board of Appeal to continue with the current structure of the Board of Appeal.

Main reasons for this were the growing number of appeals, the scope extension to biocides, the confidence in the existing Board of Appeal as well as its independence and credibility.

The Board will return to this item at its March meeting for taking a formal conclusion. The Board's working group on the Board of Appeal was mandated to prepare this conclusion and a recommendation as regards the need for initiating Commission selection procedures for Board of Appeal functions in 2013.

#### **15. Readiness for registration deadline in May 2013**

An update regarding the preparations for the second REACH registration deadline was provided to the Board.

The Management Board took note of the information and welcomed the preparations done by the Secretariat, in particular the creation of a task force and the planned support activities for industry, including the moratorium, webinars and other stakeholder initiatives.

#### **16. Establishment of a day care centre within the Agency**

The Management Board welcomed the Secretariat's initiative to provide a solution for constraints experienced by staff in relation to day care options for small children in Helsinki. The importance of the issue for a healthy work-life balance as well as retention and availability of staff were highlighted by several members. However, a number of members raised concerns as regards the costs of a proposed project to establish the day care centre within the Agencies premises and asked for more information on possible alternatives.

Against this background, the Board mandated its working group on planning and reporting to discuss a more detailed proposal before this will be submitted to the Board by written procedure. The deadline for the written procedure was set to January 15. It was noted that a decision after 15 January would possibly result in a different use of the currently available space in the Agency's building by its landlord.

*[Secretary note: After the meeting it was confirmed by the owner of ECHA's building that the timeframe for confirming a planning can be extended until 31 January. A written procedure with this deadline will be launched in January 2013].*

#### **17. Joint statement of three institutions in common approach on regulatory agencies**

The Board took note of the information by a Commission representative regarding the Joint statement of three institutions in common approach on regulatory agencies, as well as its follow up in general by ECHA.

#### **18. Participation of Serbia in the work of the Forum**

The Board agreed to Serbia's request to participate as an observer to the Forum for Exchange of Information on Enforcement, subject to the agreement of the Forum itself. Subsequently, the Board would decide on the Serbian request in written procedure.

#### **19. Any other business**

The Board took note of the following items:

- *Commission communication on REACH review*

The Commission "review of REACH", the review of ECHA and an overlap analysis

regarding the scope of the Regulation, were due on 1 June 2012. The Commission is planning to publish it in January 2013 and to organise a conference in February.

- *Revision of the REACH Fee Regulation*

A draft for a revised REACH Fee Regulation is going to be submitted to the REACH (Comitology) Committee in February 2013.

- *Preparation of the update of the multi-annual staff policy plan*

ECHA will submit a draft to the Commission for comments by 31 January 2013. Taking account of these comments, the Management Board will then approve the updated staff policy plan in March.

- *Work of the Risk Communicators network*

The situation of the currently inactive network will be reviewed in 2013.

- *Mandates of Board members*

A number of mandates of Board members will expire on 30 May 2013. The Council will decide in due time on the prolongation or changes and the Member State Permanent Representations have to initiate these procedures. ECHA will write a letter to the respective Permanent Representations to facilitate a smooth process and avoid any interruption of the MB proceedings. As before, this letter will be sent in copy to the Council Secretariat.

- *Commission approval of the Board decisions taken in June*

The Commission representatives were asked to seek as soon as possible a favourable Commission opinion of the decision of the Management Board to review the SME charges providing a carrot to the companies that collaborated with ECHA and the decision on reimbursement to Member States for certain regulatory tasks.

- *Management Board meeting dates 2013*

An update of the 2013 meeting dates was provided to the Board with changes to the dates for June and December 2013 compared to the earlier version of March 2012.

The Management Board bid farewell to Elke ANKLAM who will move to another post in the European Commission and for this reason leave the Board. Mr Krzysztof MARUSZEWSKI, her successor in the post as Director of the Commissions Joint Research Centre IHCP, will in future represent the JRC in the Board.

The next meeting of the Management Board will take place on **21-22 March 2013** in Dublin.

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